



San Diego Science and Technology Commission

MEETING MINUTES

The San Diego Science and Technology Commission held a special meeting on Wednesday, February 27, 2002, at 3:00 p.m., at the City's Economic Development Division, 600 B Street, 4th Floor Conference Room, San Diego, California.

I. CALL TO ORDER/ROLL CALL:

Dr. Martha Dennis, Acting Chair in Vicki Marion's (who was expected to arrive by 4:00 p.m.) absence, called the meeting to order and requested that the roll be called.

Roll Call:

1. Voting members present – Jon Cohen, Scott Corlett, Martha Dennis, Tom Dillon, Douglas Gray, Susan Myrland, Carrie Stone and Vicki Marion (post roll call).
2. Voting members absent – Steven Briggs, Bill Geppert, David Hale, Irwin Jacobs and Richard Jennings.
3. *Ex officio* members – Hank Cunningham and Julie Meier Wright.
4. City staff – Mike Jenkins, Jeff Kawar, Ana Maria Jaramillo, Toni Dillon, Adrienne Turner
5. Others present – Charles Holland of Sony (Commission member Eccles resigned and is no longer with Sony. Mr. Holland has submitted an application for Commission membership to the Mayor's office); Al Panico of the Waitt Family Foundation; Karen Owen from the San Diego Community College District, Centers for Education & Technology; Gloria Koch, California Technology, Trade and Commerce Agency; and Erik Bruvold, Vice President & Director of Infrastructure Issues for the San Diego Regional Economic Development Corporation.

II. PUBLIC COMMENT

Karen Owen from the San Diego Community College District, Centers for Education & Technology had brought with her a letter of support from Felix J. Aquino, Ph.D, the institute's President. The letter was circulated.

III. COMMISSION MEMBERSHIP

A. Current Members' Status:

Toni Dillon referred to the Commission Members spreadsheet and asked members to forward updated information to her. Three resignations have been submitted: David Robino of Gateway, David Eccles of Sony Electronics, and Steve Engle of La Jolla Pharmaceutical. David Nichols of Pacific Bell is no longer in the San Diego area and is considered a de-facto resignation. Charles Holland of Sony Electronics has submitted an application to the Mayor's office. Application forms were made available for Commission members to give to appointment candidates. A suggestion was made that the members have an opportunity to review the applications to make sure all industry clusters are represented on the Commission.

B. Swearing in of New Members:

Ana Maria Jarmallio stated that she would arrange for a representative from the City Clerk office to attend the next meeting for swearing in.

C. Reappointment Options:

Members interested in continuing to serve on the Commission can be reappointed by submitting a resume/bio to Toni Dillon for the Mayor's consideration. To date, six members have submitted bios: Jon Cohen, Martha Dennis, Tom Dillon, Douglas Gray, Susan Myrland and Carrie Stone. These have been forwarded to the Mayor's office. Scott Corlett indicated he would be forwarding his bio/resume for the Mayor's consideration for reappointment.

IV. APPROVAL OF MINUTES FOR AUGUST 28, 2000, SEPTEMBER 25, 2000, OCTOBER 23, 2000, NOVEMBER 27, 2000, JANUARY 22, 2001, FEBRUARY 28, 2001 and NOVEMBER 28, 2001.

Acting Chair Dennis asked the Commission members if they had any comments regarding the minutes of the previous meetings. There were none.
(MOTION/Dillon/Gray/SECONDED/UNANIMOUS).

V. DRAFT BYLAWS (Action Item)

A. Membership (Expirations, Resignations, etc.)

Articles V, VI and VII of the draft Bylaws were discussed. Changes were requested in Article VII: in Section 1, the words "and not excused" should be inserted after "member is absent". Also the word "unexcused" should be deleted where it occurs in two places prior to the word "meeting." In Section 2, the words "Chair or executive director" should be inserted after the words "member advises the Commission."

B. Quorum Size

Article IX, Section 1 of the draft bylaws propose that five (5) voting members of the Commission shall constitute a quorum. (The current required quorum size is 9 for an 18-member Commission). The Commission agreed with the proposed quorum size.

C. Meeting Frequency

Under Article VIII, Section 1, it was agreed that the Commission should meet bi-monthly on the 4th Wednesday. For the year 2002 meetings will be held in the months of February, April, June, August, and October. In order to avoid holiday conflicts at the end of the year, it was agreed that the December meeting should be held on the 1st Wednesday of that month. Also, it was agreed to delete Section 2 of Article VIII.

D. Other Issues

It was decided that under Article X, the clause “by the majority vote of the entire Commission” should be inserted following, “The Commission may from time to time amend these bylaws and adopt rules and procedures for the conduct of its business.”

A motion was made to adopt the Bylaws subject to the agreed changes.

VI. COMMUNITY & ECONOMIC DEVELOPMENT REPORT TO COMMISSION

A. Summary of Science & Technology Commission Goals

Hank Cunningham, Director: Hank Cunningham summarized that Mayor Murphy, now in his second year in office, has some major issues, such as the Ballpark behind him, and is now focusing on other critical issues. He recently founded a Smart Growth Committee. Members include Toni Atkins, Scott Peters and himself (Hank Cunningham). This Committee meets bi-monthly and the next meeting is scheduled for the 1st Friday in April – 5th. Furthermore, the Community and Economic Development Division’s mission fits well with the Mayor’s goal of “Creating neighborhoods we can be proud of.” In addition, the application of Smart Growth is one of the methods that will assist in creating and maintaining these newly sought after neighborhoods. He suggested that the Commission present the Digital Divide report to the Committee as the topic is related to Smart Growth. Hank Cunningham indicated that he would inquire about having this presentation being added to the agenda for the April 5th meeting. He suggested that the Commission would be given a maximum of ½ hour to present the Digital Divide report. Staff was directed to follow up with detailed meeting information to the Commission once it was determined that the Digital Divide Report would be presented.

B. Discussion of Business Expansion And Retention (BEAR) Team Activities:

Presented were the Economic Development Division’s programs with an emphasis on the Business Expansion And Retention Program. Specific importance was given to Council Policy 900-12, the Business and Industry

Incentive Policy and the Community and Economic Development Strategy (2002 – 2004) that empowers the BEAR staff to negotiate incentives such as: providing business advocacy and outreach assistance, due diligence assistance, fast-tracking development permits, reducing fees, providing tax rebates, bond financing and the Guarantee Water for Industry Program assistance. In addition the Department's incentive zones including the two Enterprise Zones, the Renewal Community and the 15 redevelopment areas were noted as powerful incentive tools. Highlighted were the BEAR Teams accomplishments for fiscal year 2001 including the assistance in creating and retaining over 5,200 jobs; the \$352 million in assisted projects permitted leveraging over \$973 million in secured and \$384 million in unsecured capital investment; resulting in \$1.8 million in housing impact fees paid plus \$4.1 million in developer impact/ facility assessment fees paid to the City. Specifics of several of BEAR's projects were presented for: IDEC Pharmaceuticals, Relera Inc., BAE Systems, and Agouron/Pfizer, all of which received assistance under council Policy 900-12

Ana Maria Jaramillo led a discussion of the "challenges" facing the BEAR Program in 2002. Specifically, she presented the need to review the "industrial land available" in the City limits. Emphasizing two areas where vacant industrial land is available; the Otay region including Brown Field owned by the City of San Diego and a 300-acre site in Mission Gorge. According to Ana Maria Jaramillo these sites should be studied with the objective of exploring if they are good locations for tech/biotech sector manufacturing companies from out-of-state, such as those that are suppliers to the biotechnology, research and development, defense and homeland security and electronics manufacturing firms. She stated that a survey should be conducted of the tech companies in the region to see what suppliers these companies have in common. In addition, she suggested if these industrial sites are determined to have strong potential, then marketing strategies would need to be developed. Jeff Kavar added that the industrial land, which is available, is mostly south of Interstate 8 and there has been a stigma that "we" haven't been able to overcome when encouraging business to go south. He stated that "we" need to change that perspective.

In addition, Ana Maria Jaramillo commented on the current "permitting issues" impacting the BEAR program's ability to deliver reliable, predictable and timely permit services. These services provide an element of "certainty" to the development process that the fast moving industries specializing in science, research and development and other technologies need in this unpredictable business climate.

Martha Dennis stated that the BEAR's assistance, accomplishments and challenges are not known by the businesses that specialize in science and technology. Julie Meyer Wright stated that BEAR needs to market its programs to trade associations. She noted that BEAR and the San Diego Regional Economic Development Corporation (EDC) partner often to provide seamless service and outreach to businesses. As such, EDC would assist with this effort to continue to market BEAR's accomplishments and programs.

At the conclusion of this discussion Carrie Stone made a motion seconded by Martha Dennis, that staff report back to the Commission at the next meeting with a proposal on how to address these “challenges”, including the industrial land and permit issues (MOTION/Stone/Dennis/SECONDED/UNANIMOUS).

Mike Jenkins, Assistant to the Director: While discussing the “Challenges” facing Community & Economic Development, Mike Jenkins briefed the Commission on the General Plan update and discussed in-depth the Economic Development component to this update. Specifically, discussed were traffic congestion, the City of Villages concept and Smart Growth. Tom Dillon stated that the Commission expressed considerable interest in exploring issues of this nature early on; however, the Commission abandoned this focus because some members perceived this examination as being negative towards the City. Mike Jenkins indicated that the Commission could be used as a productive, constructive outlet for these concerns; specifically, the Commission could assist in identifying future problems, creative solutions and assist the City in setting priorities.

- C. EDC Report, “Where the Tech Workforce Lives.” Presenter: Erik Bruvold, Vice President & Director of Infrastructure Issues for the San Diego Regional Economic Development Corporation (EDC): Eric Bruvold began his presentation noting that where the workforce live for a specific sector or cluster is also a retention and expansion workforce issue. The EDC completed a regionwide study in December of 2001. This study included surveying 400 businesses and asking them to provide data by zip code on where their employees lived. This survey covered about 34K employees or 1/3 of the overall workforce in the tech and biotechnology sectors. To summarize, 50% of those surveyed lived in Council districts 1 and 5; however, the other 50% lived in Council Districts 2, 3, 4, or 6. Much of this sector workforce works in Sorrento Mesa, Sorrento Valley, Torrey Pines, UTC or Rancho Beranrdo areas. Julie Meyer Wright commented that EDC is continuing to survey and will be adding variables such as executive and managerial occupations as well as other workforce variables and this new survey will be completed by 2003. In conclusion, Eric Bruvold commented on the link of workforce to “smart growth” stating that when this 2001 survey was conducted only 900 new units of “executive” type housing were available in Chula Vista/Otay area and in the next two years 4K to 5K units are expected to be built, offering much more opportunity to attract high wage earners to these areas.

The presentation of the EDC report and the BEAR power point led to a Commission discussion focusing on the Cluster study done by Michael Porter. Eric Bruvold stated that Porter’s study did not include the military and tourist sectors. Had these sectors been included the conclusions Porter reached may have been different. Michael Porter concluded that 13% of the San Diego regions industries are tech/bio-tech sector businesses. The Commission concluded that the issue of tech vs. non-tech clusters should be examined when providing incentives for industries growth. In addition, interest was expressed in having the Commission study how innovation and new technologies can be used by all clusters to assist in their growth and economic health. Tom Dillon commented

that the Science and Technology Commission has as a goal to reach all industries not just tech sector businesses. He noted that the other 70% of the regions workforce is not employed in the tech/bio-tech sector. Also noted was the 60% wage differential and San Diego's hourglass economy.

D. Future topics

BEAR Challenges as discussed earlier.

Commission representatives/ambassadors to specific industries. Douglas Gray offered to be the point person for the Software Industry.

The Digital Divide up-date (partnerships and solutions).

VII. SUBCOMMITTEE REPORT TO COMMISSION

- A. "The Digital Divide in San Diego" Susan Myrland: This report grew out of an RTA study. The sub-committee of Carrie Stone, Scott Corlett and Susan Myrland completed the Digital Divide Report last year and have been waiting for a quorum of the Commission to take an Action to publish the report. Susan Myrland noted that since last year there have been major changes, specifically citing last month's action at a federal level. A draft of the revised report was presented to the Commission with a request that the Commission act to accept and disseminate this report beginning with the Mayor's Smart Growth committee presentation and publishing the report on the Commission's website.

The Commission was asked to look at the new recommendations on page six for a discussion. Issues discussed included: 1) Should the Commission/City play a role in regional technology planning?; 2) Living and working with regional issues – incorporating the City of Villages concept – making it fit where possible with the report's recommendations; 3) Last year studies quantified the gap as the Southern area of San Diego where computer ownership is below the National Average; 4) Computer ownership: a tech problem = to an educational problem.

Tom Dillon responded that the digital divide is a critical issue, both culturally and educationally. The benefits an individual receives through access and how they perceive the access available to them must be addressed. It was discussed that the schools are wrestling with the issue of the digital divide and are aware they must reach out to the have-nots. A school program where the school is providing parent training in 16 languages with the goal of increasing educational access to computer technology for children was noted. It was suggested that a partnership with the San Diego Unified School District to leverage solutions to the digital divide be explored. Hank Cunningham indicated that the City's executive staff now meets monthly with the San Diego Unified School District to address a variety of issues. This may be a forum to discuss the Commission, City and School District partnership. It was recommended that the Commission consider avenues that the City could explore for training citizens in computer usage and

incentives for accessing City services on-line. In addition, the Community College District's offer to collaborate with the Commission in designing a plan to continue to breach the Digital Divide was discussed, acknowledged and welcomed. It was also suggested that the Commission determine all the players working toward breaching the divide and that the Commission partner with these players to provide synergy towards their efforts.

Tom Dillon proposed a motion to adopt the report subject to updates, motion carried (MOTION/Dillon/Stone/UNANIMOUS). Carrie Stone thanked Susan Myrland for her tremendous work effort in producing the report.

In conclusion to this discussion Al Panico of the Waitt Family Foundation introduced and provided an update on the Foundation. The Foundation has been in existence approximately one year. When they first came to San Diego they looked for a vision/plan that San Diego had created for breaching the divide—and found there wasn't one. Al Panico reported that Chicago and other big cities have a vision specifically for Funders and Foundations that are looking to offer resources. He was asked what vision would be good to emulate. He said he was skeptical about using another city's vision – they were examples only. San Diego is unique and needs its own organic vision.

- B. Revise Report with current data for final publication
It was agreed that the report will be completed by April 5, 2002. It will be provided by e-mail to all Commissioners for comment prior to publication.
- C. Commission Website: no discussion.

VIII. UPCOMING MEETINGS:

- A. Regularly scheduled meeting, 4th Wednesday of each month:
Acting Chair Dennis suggested a schedule of the meeting dates should be issued each year.
- B. Next meeting:
The next meeting will be held on April 24, 2002 at 3:00 pm. Martha Dennis informed the Commission that she would be out of town on that date.

IX. ADJOURN:

With no further business to discuss, the Acting Chair adjourned the meeting at 5:10 pm.